

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

B.T.U. GAS COMPANY, INC.

CASE NO. 2007-00403

Alleged violations of administrative regulation
807 KAR 5:006, 807 KAR 5:022,
807 KAR 5:027 and 49 CFR 191-192

RECEIVED

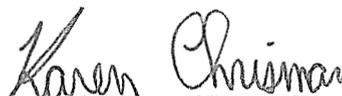
AUG 25 2008

PUBLIC SERVICE
COMMISSION

FIRST RESPONSE TO INFORMAL CONFERENCE MEMORANDUM

B.T.U. Gas Company, Inc. files the following information as agreed to
during the informal conference held on July 17, 2008:

1. A list of all current BTU customers and their addresses.
2. The written contract between BTU and P&J Resources.



KAREN CHRISMAN
McBrayer, McGinnis, Leslie & Kirkland
Whitaker Bank Building, Suite 300
P.O. Box 1100
Frankfort, Kentucky 40602-1100
(502) 223-1200
Fax 502 227-7385

CERTIFICATE OF SERVICE

I certify the foregoing First Response to the Informal Conference
Memorandum has been served by hand delivery, this the 25th day of August,
2008 upon the following:

Stephanie Stumbo
Executive Director
P.O. Box 615
Frankfort, KY 40602-0615

Karen Chrisman
KAREN CHRISMAN

**BTU GAS COMPANY
CUSTOMER LIST 2008**

**VINT DYER
223 DIXIE AVE.
SALYERSVILLE, KY**

**SCOTT ARNETT
AUXIER BRANCH RD
SALYERSVILLE, KY**

**JAYNEE MAY
310 KENTUCKY STREET
SALYERSVILLE, KY**

**WRLV
P.O. BOX 338
WEST LIBERTY, KY**

**JANICE BAILEY
3495 ROYALTON RD
SALYERSVILLE, KY**

**MAG. CO. RECYCLING CTR
P.O. BOX 430
SALYERSVILLE, KY**

**BURKE ARNETT
P.O. BOX 1204
SALYERSVILLE, KY**

**EMILY RUSSELL
P.O. BOX 509
SALYERSVILLE, KY**

**BEN F. GARDNER
P.O. BOX 543
SALYERSVILLE, KY**

**DENNIS WILLIAMS
1993 BUFFALO FORK RD
SALYERSVILLE, KY**

**BARBARA HALL
2935 LICK CREEK RD.
SALYERSVILLE, KY**

**JOHNNY CARPENTER
978 DIXIE AVE
SALYERSVILLE, KY**

**ROBERT LUNSFORD
P.O. BOX 606
SALYERSVILLE, KY**

**MAG. CO. JUSTICE CTR.
P.O. BOX 430
SALYERSVILLE, KY**

**TOMMY HOWARD
P.O. BOX 1646
SALYERSVILLE, KY**

**DWAYNE ADAMS
2935 LICK CREEK RD
SALYERSVILLE, KY**

**BRENDA GIBSON
P.O. BOX 1787
SALYERSVILLE, KY**

**TONE GARDNER, JR
530 ASHLEY WAY
LEXINGTON, KY**

**BEN F. GARDNER
P.O. BOX 543
SALYERSVILLE, KY**

**WILLIAMS GARAGE
1993 BUFFALO FORK RD
SALYERSVILLE, KY**

**BURNIS PATRICK
HC 61 BOX 100
SALYERSVILLE, KY**

**BELINDA HOWES
57 OLD LICK CREEK RD
SALYERSVILLE, KY**

**DAISY HOLLAND
P.O. BOX 1692
SALYERSVILLE, KY**

**J. RUSSELL HOWARD
218 LICK CREEK RD
SALYERSVILLE, KY**

**FIRST BAPTIST CHURCH PARSONAGE
HC 61 BOX 17
SALYERSVILLE, KY**

**DONNA WILLIAMS
486 LICK CREEK RD
SALYERSVILLE, KY**

**JIMMY STAMPER
HC 61 BOX 18
SALYERSVILLE, KY**

**PERF. TIRE & LUBE
HC 61 BOX 27-5
SALYERSVILLE, KY**

**MAG. CO. MAINT. GARAGE
P.O. BOX 430
SALYERSVILLE, KY**

**MARGIE WATSON
817 OLD LICK CREEK RD
SALYERSVILLE, KY**

**MIDDLE FORK ELEM.
P.O. BOX 409
SALYERSVILLE, KY**

**RUMPKE
10795 HUGHES RD
CINCINNATI, OHIO**

**ARLIE BARNETT
HC 62 BOX 115
SALYERSVILLE, KY**

**RUSSELL CALDWELL
473 AUXIER BRANCH RD
SALYERSVILLE, KY**

**WILLIAM LOVELY
HC 62 BOX 140
SALYERSVILLE, KY**

**MARK BAILEY
HC 62 BOX 145
SALYERSVILLE, KY**

**B.F. HOLBROOK
P.O. BOX 321
SALYERSVILLE, KY**

**LINDA HOWARD
592 OLD LICK CREEK RD
SALYERSVILLE, KY**

**TAMMY ALLEN
P.O. BOX 698
SALYERSVILLE, KY**

**TRAVIS HOWARD
HC 62 BOX
SALYERSVILLE, KY**

**HOMER MAY, JR
P.O. BOX 165
SALYERSVILLE, KY**

**DARRELL KEETH
51 ELK CREEK RD
SALYERSVILLE, KY**

**MARVIN WARD
85 ELK CREEK RD
SALYERSVILLE, KY**

**VALERIE WATKINS
301 ELK CREEK RD
SALYERSVILLE, KY**

**BILLY MAY
458 ELK CREEK RD
SALYERSVILLE, KY**

**CECIL CONLEY
2200 LICK CREEK RD
SALYERSVILLE, KY**

**BILLIE WATSON
2348 LICK CREEK RD
SALYERSVILLE, KY**

**CALVIN CONLEY
2366 LICK CREEK RD
SALYERSVILLE, KY**

**RONALD J. CONLEY
2464 LICK CREEK RD
SALYERSVILLE, KY**

**JOHNNY CONLEY
2506 LICK CREEK RD
SALYERSVILLE, KY**

**NORMAN HOWARD
110 CAUDILL BRANCH RD
SALYERSVILLE, KY**

**TRACEY PLUMMER
196 CAUDILL BRANCH RD
SALYERSVILLE, KY**

**CASEBOLT GARAGE
2673 LICK CREEK RD
SALYERSVILLE, KY**

**PATTY HOLBROOK
158 ELK CREEK RD
SALYERSVILLE, KY**

**DOCK & KATHY HUNLET
474 BRUSHY FORK RD
SALYERSVILLE, KY**

**KATHY ARNETT
2060 LICK CREEK RD
SALYERSVILLE, KY**

**HORTENSE WILLIAMS
2291 LICK CREEK RD
SALYERSVILLE, KY**

**CHARLIE HOWARD
2349 LICK CREEK RD
SALYERSVILLE, KY**

**WILLIAM J. CONLEY
2372 LICK CREEK RD
SALYERSVILLE, KY**

**DORSEY CONLEY
2464 LICK CREEK RD
SALYERSVILLE, KY**

**JARED VANHOOSE
2540 LICK CREEK RD
SALYERSVILLE, KY**

**LORETTA HOWARD
110 CAUDILL BRANCH RD
SALYERSVILLE, KY**

**VIRGIL PLUMMER
196 CAUDILL BRANCH RD
SALYERSVILLE, KY**

**HOLLIE CASEBOLT
2673 LICK CREEK RD
SALYERSVILLE, KY**

**HOLLIE CASEBOLT POOL
2673 LICK CREEK RD
SALYERSVILLE, KY**

**LESTER ELAM
2887 LICK CREEK RD
SALYERSVILLE, KY**

**CHARLES HOWES
53 OLD LICK CREEK RD
SALYERSVILLE, KY**

**LINDA MORGESON
924 BRUSHY FORK RD
SALYERSVILLE, KY**

**KENNETH STEPHENS
1022 BRUSHY FORK
SALYERSVILLE, KY**

**SHARON CONLEY
1075 OLD LICK CREEK RD
SALYERSVILLE, KY**

**JAMES COOPER
2033 OLD LICK CREEK RD
SALYERSVILLE, KY**

**JOHN McMACKIN
P.O. BOX
SALYERSVILLE, KY**

**JR. HUNLEY
3417 OLD LICK CREEK RD
SALYERSVILLE, KY**

**LARRY COLE
P.O. BOX 49
FALCON, KY**

**SAM CONLEY
P.O. BOX 102
FALCON, KY**

**THERON BENTLEY
2817 LICK CREEK RD
SALYERSVILLE, KY**

**GLENN HOWES
53 OLD LICK CREEK RD
SALYERSVILLE, KY**

**MIKE HOWES
61 OLD LICK CREEK RD
SALYERSVILLE, KY**

**CAROLYN ADAMS
948 BRUSHY FORK RD
SALYERSVILLE, KY**

**HARRY DAVIS
1009 BRUSHY FORK
SALYERSVILLE, KY**

**RICKY COOPER
2036 OLD LICK CREED RD
SALYERSVILLE, KY**

**PAM COOPER
2151 OLD LICK CREEK RD
SALYERSVILLE, KY**

**JEANENE HOWARD
P.O. BOX 129
FALCON, KY**

**ROGER HUNLEY
3518 OLD LICK CREEK RD
SALYERSVILLE, KY**

**ROBERT RYAN
4120 OLD LICK CREEK RD
SALYERSVILLE, KY**

**LIZZIE MILLER
P.O. BOX 137
ROYALTON, KY**

**KATHLINE STEPHENS
3045 LICK CREEK RD
SALYERSVILLE, KY**

**TOMMY SIMPKINS
780 BUFFALO FORK RD
SALYERSVILLE, KY**

**WALTER WALLEN
1396 BUFFALO FORK RD
SALYERSVILLE, KY**

**ANTHONY WALLEN
1473 BUFFALO FORK RD
SALYERSVILLE, KY**

**JOSEPH WALLEN
1473 BUFFALO FORK RD
SALYERSVILLE, KY**

**KERMIT GAMBLE
2035 BUFFALO FORK RD
SALYERSVILLE, KY**

**DENISE TRUSTY
BUFFALO FORK RD
SALYERSVILLE, KY**

**DENNIS WILLIAMS
1993 BUFFALO FORK RD
SALYERSVILLE, KY**

**MITCHELL & TESSIE GAMBLE
116 GAMBLE BRANCH
SALYERSVILLE, KY**

**BETTY BLANTON
350 GAMBLE BRANCH
SALYERSVILLE, KY**

**ROBERT HALL
2385 BUFFALO FORK RD
SALYERSVILLE, KY**

**GRETТА HALL
2400 BUFFALO FORK RD
SALYERSVILLE, KY**

**RODNEY HALL
2385 BUFFALO FORK RD
SALYERSVILLE, KY**

**HERMAN RUSSELL
2510 BUFFALO FORK RD
SALYERSVILLE, KY**

**KATHY GAMBLE SALYER
2510 BUFFALO FORK RD
SALYERSVILLE, KY**

**LARRY CRONENBOLD
2395 BUFFALO FROK RD
SALYERSVILLE, KY**

**SELINA HOWARD
159 LEFT FORK BUFFALO RD
SALYERSVILLE, KY**

**ROBERT SALYER
2617 BUFFALO FORK RD
SALYERSVILLE, KY**

**PHILLIP WHITLEY
LICK CREEK RD
SALYERSVILLE, KY**

**PHILLIP WHITLEY
LICK CREEK RD
SALYERSVILLE, KY**

**JAMES J. OWENS
4457 LICK CREEK RD
SALYERSVILLE, KY**

**LADONNA ELAM BAILEY
4704 LICK CREEK RD
SALYERSVILLE, KY**

**ROGER ELAM, JR
4704 LICK CREEK RD
SALYERSVILLE, KY**

**MAMAW'S GRO.
4767 LICK CREEK RD
SALYERSVILLE, KY**

**EDWARD MONTGOMERY
4882 LICK CREEK RD
SALYERSVILLE, KY**

**LOUIS MANN
4903 LICK CREEK RD
SALYERSVILLE, KY**

**IRVIN & FANNIE ISAAC
BOX 925
SALYERSVILLE, KY**

**VINCIN HOWARD
5051 LICK CREEK RD
SALYERSVILLE, KY**

**BRUCE HOWARD
P.O. BOX 1632
SALYERSVILLE, KY**

**WILLIAM HELTON
5325 LICK CREEK RD
SALYERSVILLE, KY**

**CLEO PATRICK
2360 BLOOMINGTON BRANCH
SALYERSVILLE, KY**

**JANET FLETCHER
676 BLOOMINGTON BRANCH
SALYERSVILLE, KY**

**BARRY HOWARD
6951 BLOOMINGTON BRANCH
SALYERSVILLE, KY**

**MARCUS HOWARD
4767 LICK CREEK RD
SALYERSVILLE, KY**

**DONNA COFFEY
4794 LICK CREEK RD
SALYERSVILLE, KY**

**TALMADGE MANN
4887 LICK CREEK RD
SALYERSVILLE, KY**

**JEFF & TINA RUSSELL
4900 LICK CREEK RD
SALYERSVILLE, KY**

**MANUEL HOWARD
4992 LICK CREEK RD
SALYERSVILLE, KY**

**JAMES J. HOWARD
5061 LICK CREEK RD
SALYERSVILLE, KY**

**RANDALL & AMANDA MANN
127 HENSLEY RD
SALYERSVILLE, KY**

**GOBLE & BETTY HOWARD
5327 LICK CREEK RD
SALYERSVILLE, KY**

**REBECCA ARNETT
171 BLOOMINGTON BRANCH
SALYERSVILLE, KY**

**PATRICIA COLLINS
299 DORA LEE RD
SALYERSVILLE, KY**

**CLETIS HELTON
P.O. BOX
SALYERSVILLE, KY**

**JAMES & MISTY COMBS
7188 BLOOMINGTON BRANCH
SALYERSVILLE, KY**

**TONY ADAMS
7244 BLOOMINGTON RD
SALYERSVILLE, KY**

**JIMMY MANN
197 DORA LEE RD
SALYERSVILLE, KY**

**DARRELL HELTON
5894 LICK CREEK RD
SALYERSVILLE, KY**

**BILLY HARPER
P.O. BOX 1062
SALYERSVILLE, KY**

**SHERRY RISNER
6334 LICK CREEK RD
SALYERSVILLE, KY**

**HOWARD PATRICK
6646 BLOOMINGTON RD
SALYERSVILLE, KY**

**EDDITH HENSLEY
P.O. BOX 1024
SALYERSVILLE, KY**

**ANNJENNETT JENKINS
95 COON CREEK RD
SALYERSVILLE, KY**

**LYONS GROCERY
1885 COON CREEK RD
SALYERSVILLE, KY**

**RONNIE HENSLEY
2075 COON CREEK RD
SALYERSVILLE, KY**

**TOMMY & WANDA MANN
7244 BLOOMINGTON RD
SALYERSVILLE, KY**

**JERRY SWINEY
151 DORA LEE RD
SALYERSVILLE, KY**

**GARY HELTON
5648 LICK CREEK RD
SALYERSVILLE, KY**

**ROSEMARY HELTON
5894 LICK CREEK RD
SALYERSVILLE, KY**

**THOMAS HOWARD
P.O. BOX
SALYERSVILLE, KY**

**DARRELL BACK
6334 LICK CREEK RD
SALYERSVILLE, KY**

**LINDA G. MONTGOMERY
337 N. RIVER RD
SALYERSVILLE, KY**

**KENNETH JENKINS
88 COON CREEK RD
SALYERSVILLE, KY**

**SAMUEL LYONS
1885 COON CREEK RD
SALYERSVILLE, KY**

**LYONS DELI
1885 COON CREEK RD
SALYERSVILLE, KY**

**PAUL HENSLEY
2077 COON CREEK RD
SALYERSVILLE, KY**

**DENZEL & LINDA HOWARD
2164 COON CREEK RD
SALYERSVILLE, KY**

**OLLIE & LANA BLANTON
12 IMPROVEMENT RD
SALYERSVILLE, KY**

**ARNOLD FRANCIS
2936 COON CREEK RD
SALYERSVILLE, KY**

**ALTON BLANTON
2936 COON CREEK RD
SALYERSVILLE, KY**

**GARNETT R. PATRICK
297 JACKIE HOWARD RD
SALYERSVILLE, KY**

**1081/STEVE HOWARD
4390 COON CREEK RD
SALYERSVILLE, KY**

**CHARLES & ALPHA WARD
4856 COON CREEK RD
SALYERSVILLE, KY**

**MICHAEL & BRONNA FRANCIS
4872 COON CREEK RD
SALYERSVILLE, KY**

**THOMAS PHIPPS
202 SCAFFOLD BRANCH
SALYERSVILLE, KY**

**ROBERT RUSSELL
312 SCAFFOLD BRANCH
SALYERSVILLE, KY**

**BENJAMIN HOWARD
328 SCAFFOLD BRANCH
SALYERSVILLE, KY**

**RUIE RUSSELL
395 SCAFFOLD BRANCH**

**GLENN RUSSELL
491 COON CREEK RD
SALYERSVILLE, KY**

**ARNOLD FRANCIS
2936 COON CREEK RD
SALYERSVILLE, KY**

**ALTON BLANTON
2936 COON CREEK RD
SALYERSVILLE, KY**

**SHIRLEY HALL
796 JACKIE HOWARD RD
SALYERSVILLE, KY**

**WILLIE HOWARD
4385 COON CREEK RD
SALYERSVILLE, KY**

**FLORIE HOWARD
4374 COON CREEK RD
SALYERSVILLE, KY**

**CHARLES WARD
4856 COON CREEK RD
SALYERSVILLE, KY**

**LORETTA WARD
4999 COON CREEK RD
SALYERSVILLE, KY**

**CURTIS PERKINS
308 SCAFFOLD BRANCH
SALYERSVILLE, KY**

**JOSEPH HOWARD
328 SCAFFOLD BRANCH
SALYERSVILLE, KY**

**MARVIN MINIX
465 SCAFFOLD BRANCH
SALYERSVILLE, KY**

**ELBERT RUSSELL
394 SCAFFOLD BRANCH**

**JUDY FRANCIS
P.O. BOX 1521
SALYERSVILLE, KY**

**MARLO ENGLAND
812 SCAFFOLD BRANCH
SALYERSVILLE, KY**

**DOVIE HOWARD
5628 COON CREEK RD
SALYERSVILLE, KY**

**STANLEY RUSSELL
5860 COON CREEK RD
SALYERSVILLE, KY**

**SHELIA RUSSELL
6063 COON CREEK RD
SALYERSVILLE, KY**

**HEARL ISAAC
947 LACEY CREEK
SALYERSVILLE, KY**

**BAZLE HALL
1702 LACEY CREEK RD
SALYERSVILLE, KY**

**JOYCE SLONE
1880 LACEY CREEK RD
SALYERSVILLE, KY**

**FRANCIS CANTRELL
2006 LACEY CREEK RD
SALYERSVILLE, KY**

**IRA CANTRELL
2960 LACEY CREEK RD
SALYERSVILLE, KY**

**MS. LOWELL WHEELER
5714 FLAT FORK RD
SALYERSVILLE, KY**

**RONALD E. HOWARD
5590 FLAT FORK RD**

**DEAN RUSSELL
5491 COON CREEK RD
SALYERSVILLE, KY**

**DONALD RUSSELL
5565 COON CREEK RD
SALYERSVILLE, KY**

**GARRETT WARD
5641 COON CREEK RD
SALYERSVILLE, KY**

**ANTHONY DOBBINS
5862 COON CREEK RD
SALYERSVILLE, KY**

**ARLIE CONLEY JR
6059 COON CREEK RD
SALYERSVILLE, KY**

**GREG ISAAC
1530 LACEY CREEK RD
SALYERSVILLE, KY**

**DONNIE HAMILTON
2001 LACEY CREEK RD
SALYERSVILLE, KY**

**JAMES PHILLIPS
264 TWIN LICK RD
SALYERSVILLE, KY**

**WILL SLONE
2056 LACEY CREEK RD
SALYERSVILLE, KY**

**LOWELL WHEELER
5714 FLAT FORK RD
SALYERSVILLE, KY**

**DAVID WHEELER
5718 FLAT FORK RD
SALYERSVILLE, KY**

**KENNY ISAAC
5122 FLAT FORK RD**

**MICHAEL CANTRELL
5065 FLAT FORK RD
SALYERSVILLE, KY**

**KENNIE BARKER
4718 FLAT FORK RD
SALYERSVILLE, KY**

**KEVIN LEMASTER
3356 MINE FORK RD
SALYERSVILLE, KY**

**ELIZABETH LEMASTER
119 LITTERAL FORK
SALYERSVILLE, KY**

**TAMMY FLETCHER
P.O. BOX 217
OIL SPRINGS, KY**

**HENRY SMITH
696 LITTERAL FORK RD
SALYERSVILLE, KY**

**ROBERT GOODMAN
865 LITTERAL FORK
SALYERSVILLE, KY**

**FAYE W. BLAIR
1219 LITTERAL FORK
SALYERSVILLE, KY**

**CHARLES E. HOWARD
1401 LITTERAL FORK RD
SALYERSVILLE, KY**

**BRIAN ADAMS
1746 LITTERAL FORK
SALYERSVILLE, KY**

**GERALDINE LEMASTER
3328 MINE FORK RD
SALYERSVILLE, KY**

**JUSTIN CRACE
3020 MINE FORK RD**

**PAULINE CANTRELL
5065 FLAT FORK RD
SALYERSVILLE, KY**

**LILLIAN RISNER
P.O. BOX 763
SALYERSVILLE, KY**

**EUGENE LEMASTER
19 LITTERAL FORK
SALYERSVILLE, KY**

**HAROLD LEMASTER
119 LITTERAL FORK
SALYERSVILLE, KY**

**TINA KILGORE
534 LITTERAL FORK
SALYERSVILLE, KY**

**RITA PRATER
755 LITTERAL FORK
SALYERSVILLE, KY**

**FRED WHEELER
895 LITTERAL FORK
SALYERSVILLE, KY**

**RONALD WILLIAMS
1219 LITTERAL FORK
SALYERSVILLE, KY**

**CHESTER GAMBLE
1648 LITTERAL FORK
SALYERSVILLE, KY**

**LORETTA LEMASTER
3328 MINE FORK RD
SALYERSVILLE, KY**

**LETHA HOWARD
GENERAL DELIVERY
FALCON, KY**

**CARL HOWARD
P.O. BOX 34**

**STELLA TACKETT
2657 MINE FORK RD
SALYERSVILLE, KY**

**HEARL BORDERS
52 BORDERS
SALYERSVILLE, KY**

**BOBBY HUNLEY
2449 MINE FORK RD
SALYERSVILLE, KY**

**ARTISS ALSEPT
P.O. BOX 604
SALYERSVILLE, KY**

**LARRY ADAMS
2344 MINE FORK RD
SALYERSVILLE, KY**

**GARRY WARD
2022 MINE FORK RD
SALYERSVILLE, KY**

**JIMMY D. HOWARD
210 CAUDILL HOLLOW
SALYERSVILLE, KY**

**CARRIE CAUDILL
650 CAUDILL HOLLOW
SALYERSVILLE, KY**

**CAROL HOWARD
5908 FLAT FORK
SALYERSVILLE, KY**

**WADE ISAAC
MUD LICK ROAD
SALYERSVILLE, KY**

**BILLY J. LEMASTER
300 MUD LICK ROAD
SALYERSVILLE, KY**

**DELBERT BAILEY
1078 ROCKHOUSE RD**

**MICHAEL TACKETT
2615 MINE FORK RD
SALYERSVILLE, KY**

**JERRY BORDERS
58 BORDERS RD
SALYERSVILLE, KY**

**JUANITA SPARKS
P.O. BOX 164
FALCON, KY**

**PRATER BORDERS
P.O. BOX 609
SALYERSVILLE, KY**

**CAROLYN WARD
2022 MINE FORK RD
SALYERSVILLE, KY**

**DANNY B. HOWARD
200 CAUDILL HOLLOW
SALYERSVILLE, KY**

**MARCUS HOWARD
650 CAUDILL HOLLOW
SALYERSVILLE, KY**

**EDMOND CAUDILL
850 CAUDILL HOLLOW
SALYERSVILLE, KY**

**TOMMY SALYER
6003 FLAT FORK
SALYERSVILL, KY**

**WADE ISAAC
MUD LICK ROAD
SALYERSVILLE, KY**

**JEFFREY MAYS
500 MUD LICK RD
SALYERSVILLE, KY**

**BAILEYS SHOP
1076 ROCKHOUSE RD**

**BAILEYS AUTO
1076 ROCKHOUSE RD
SALYERSVILLE, KY**

**JOHN & WANDA BAILEY
P.O. BOX 14
SALYERSVILLE, KY**

**DALE & JACKIE MINIX
1844 ROYALTON RD
SALYERSVILLE, KY**

**JOHN R. CONLEY RH
P.O. BOX 126
SALYERSVILLE, KY**

**MARCUS CONLEY
P.O. BOX 1629
SALYERSVILLE, KY**

**JAMES McNEW
LAKEVILLE ROAD
SALYERSVILLE, KY**

**DAN & RHONDA ISON
HC 60 BOX 51
SALYERSVILLE, KY**

**JACKIE ARNETT
P.O. BOX 226
ROYALTON, KY**

**VINT DYER
HC 60 BOX 278
SALYERSVILLE, KY**

**SHANNON K. WATSON
HC 60 BOX 285
SALYERSVILLE, KY**

**LORRIE WATSON
HC 60 BOX 281-A
SALYERSVILLE, KY**

**RAMONA BAILEY
P.O. BOX 104**

**HEIDI McCARTY
856 ROCKHOUSE RD
SALYERSVILLE, KY**

**HAGER COLE
P.O. BOX 792
SALYERSVILLE, KY**

**GARNETT J. ARNETT
P.O. BOX 126
SALYERSVILLE, KY**

**JOHN R. CONLEY
P.O. BOX 126
SALYERSVILLE, KY**

**JAMES McNEW
LAKEVILLE ROAD
SALYERSVILLE, KY**

**RANDY ARNETT
HC 60 BOX 16
SALYERSVILLE, KY**

**MABLE PRATER
HC 60 BOX 97
SALYERSVILLE, KY**

**BESSIE DYER
55 COUNTY RD 436
CULLMAN, ALABAMA**

**JIM W. BACK
HC 60 BOX 276
SALYERSVILLE, KY**

**TIMOTHY HOWARD
P.O. BOX 1107
SALYERSVILLE, KY**

**CHALLIE BAILEY
P.O. BOX 104
ROYALTON, KY**

**WILMA K. CRAFT
P.O. BOX 146**

**JOEY WOODARD
P.O. BOX 39
ROYALTON, KY**

**FAYETTA BAILEY
HC 60 BOX 301
SALYERSVILLE, KY**

**PAUL MONTGOMERY
HC 60 BOX 297
SALYERSVILLE, KY**

**LORETTA BAILEY
P.O. BOX 813
SALYERSVILLE, KY**

**JENNY CALDWELL
P.O. BOX 7
ROYALTON, KY**

**BILLY RUDD
HC 60 BOX 619
SALYERSVILLE, KY**

**LYNETTE BLANTON
HC 60 BOX 610
SALYERSVILLE, KY**

**JAMES J. HOWARD
HC 60 BOX 615
SALYERSVILLE, KY**

**BILLY W. SALYER
HC 60 BOX 497
SALYERSVILLE, KY**

**ANGIE SHEPHERD
HC 60 BOX 498
SALYERSVILLE, KY**

**PAUL BAILEY
HC 60 BOX 503
SALYERSVILLE, KY**

**RICK SALYER
HC 60 BOX 509**

**JAMES WOODARD
P.O. BOX 39
ROYALTON, KY**

**DONNA MONTGOMERY
HC 60 BOX 299
SALYERSVILLE, KY**

**JOHN MONTGOMERY
HC 60 BOX 300
SALYERSVILLE, KY**

**LARRY CARPENTER
HC 60 BOX 360
SALYERSVILLE, KY**

**JENNY CALDWELL
P.O. BOX 7
ROYALTON, KY**

**HAGER MINIX
HC 60 BOX 613
SALYERSVILLE, KY**

**DONALD MINIX
HC 60 BOX 614
SALYERSVILLE, KY**

**AARON SALYER
RT. 4
SALYERSVILLE, KY**

**SHIRLEY SHEPHERD
HC 60 BOX 499
SALYERSVILLE, KY**

**ANGIE SHEPHERD
HC 60 BOX 498
SALYERSVILLE, KY**

**PAUL BAILEY
HC 60 BOX 503
SALYERSVILLE, KY**

**ROBINSON MINIX
HC 60 BOX 538**

**DELOS PUSH
HC 60 BOX 540
SALYERSVILLE, KY**

**WENDELL COLE
HC 60 BOX 546
SALYERSVILLE, KY**

**CARL HOWARD, JR
HC 60 BOX 345
SALYERSVILLE, KY**

**BRENDA THOMPSON
1015 SOUTH RIVER RD
SALYERSVILLE, KY**

**BILLY & GWEN SHEPHERD
1011 SOUTH RIVER RD
SALYERSVILLE, KY**

**ROGER HACKWORTH
1019 SOUTH RIVER RD
SALYERSVILLE, KY**

**DAVID CORDELL
6006 SOUTH RIVER RD
SALYERSVILLE, KY**

**DOUGLAS ARNETT
P.O. BOX 794
SALYERSVILLE, KY**

**JIMMY SALYER
2487 ROYALTON RD
SALYERSVILLE, KY**

**CLYDE SALYER
5206 ROYALTON RD
SALYERSVILLE, KY**

**JERRY CARLEN
4900 ROYALTON RD
SALYERSVILLE, KY**

**OLLIE COLDIRON
6528 ROYALTON RD**

**ALVIN MINIX
HC 60 BOX 499
SALYERSVILLE, KY**

**LESTER MINIX
HC 60 BOX
SALYERSVILLE, KY**

**JOE SALYER
HC 60 BOX 558
SALYERSVILLE, KY**

**ROBERT DAVIS, JR
1009 SOUTH RIVER RD
SALYERSVILLE, KY**

**GWEN SHEPHERD
1011 SOUTH RIVER RD
SALYERSVILLE, KY**

**GEORGE REED
11 SOUTH RIVER RD
SALYERSVILLE, KY**

**DAVID CORDELL
6006 SOUTH RIVER RD
SALYERSVILLE, KY**

**SALYER ELEMENTARY
P.O. BOX 609
SALYERSVILLE, KY**

**CHUCK MORGAN
P.O. BOX 601
SALYERSVILLE, KY**

**BARRY SALYER
5020 ROYALTON RD
SALYERSVILLE, KY**

**KEN BELCHER
6196 ROYALTON RD
SALYERSVILLE, KY**

**WILLIAM COLDIRON
6448 ROYALTON RD**

**DEB LEMASTER
106 FIRST AVE., BOX 98
SALYERSVILLE, KY**

**JACK GAMBLE
73 CENTRAL AVE.
SALYERSVILLE, KY**

**HERMAN JOSEPH
250 CENTRAL AVE
SALYERSVILLE, KY**

**LLOYD WIREMAN
RT. 77 BOX 20
ROYALTON, KY**

**KELLY RISNER
P.O. BOX 131
ROYALTON, KY**

**BOBBY WHITAKER
RT.77 BOX 140
ROYALTON, KY**

**ED CAUDILL
BOX 156
ROYALTON, KY**

**PAUL T. HALE
P.O. BOX 54
ROYALTON, KY**

**RALPH MULLINS
9910 S.E. LICKING RR
SALYERSVILLE, KY**

**JEWEL LOVELY
8149 S.E LICKING RR
SALYERSVILLE, KY**

**JEFF & BECKY RISNER
RT. 77 BOX 101
ROYALTON, KY**

**NORMAN BAILEY
P.O. BOX 198**

**BILLY GAMBLE
105 FIRST AVE
SALYERSVILLE, KY**

**JAMES R. JOSEPH
187 CENTRAL AVE
SALYERSVILLE, KY**

**BILLY R JOSEPH
271 CENTRAL AVE
SALYERSVILLE, KY**

**MARVIN WATSON
6494 ROYALTON RD
SALYERSVILLE, KY**

**LESTER SALYER
P.O. BOX 1361
ROYALTON, KY**

**FRANK J. WHITAKER
P.O. BOX 136
ROYALTON, KY**

**KELLY COLDIRON
P.O. BOX 186
ROYALTON, KY**

**HAROLD WILLIAMS
BOX 6
ROYALTON, KY**

**KELLY L. MILLER
RT. 77 BOX 80
ROYALTON, KY**

**MORRIS ARNETT
P.O. BOX 1532
SALYERSVILLE, KY**

**CHARLOTTE RISNER
RT. 77 BOX 100
ROYALTON, KY**

**ADAM RISNER
RT. 77 BOX 122**

**SARAH INGRAM
BOX 66
ROYALTON, KY**

**LESTER LAFOUNTAIN
RT. 77 BOX 124
ROYALTON, KY**

**WARNIE ALLEN
P.O. BOX 187
ROYALTON, KY**

**PINE GROVE HOLINESS CHURCH
P.O. BOX 187
ROYALTON, KY**

**MARY SHEPHERD
P.O. BOX 1261
SALYERSVILLE, KY**

**DAVE BAILEY
P.O. BOX
ROYALTON, KY**

**MOUNTAIN CC GREENHOUSE
104 S. FRONT AVE
PRESTONBURG, KY**

**JUAN MADRIGAL
422 E. MT. PARKWAY
SALYERSVILLE, KY**

**NORTHSIDE SCHOOL
P.O. BOX 609
SALYERSVILLE, KY**

**JIM CORLEY
4728 FLAT FORK RD
SALYERSVILLE, KY**

**ARTHUR AUXIER
RT 77 BOX 10
ROYALTON, KY**

**RUIE COLE
HC 77 BOX 125
ROYALTON, KY**

**GREG FITZPATRICK
RT. 77 BOX 127
ROYALTON, KY**

**OTHER GUYS GARAGE
P.O. BOX 1298
SALYERSVILLE, KY**

**SAM BAILEY
P.O. BOX 52
ROYALTON, KY**

**JERRY SALYER
HC 77 BOX 24
ROYALTON, KY**

**MARCUS CONLEY APT
P.O. BOX 1629
SALYERSVILLE, KY**

**MICHELLE GARCIA
905 DIXIE AVE
SALYERSVILLE, KY**

**SOUTHSIDE SCHOOL
P.O. BOX 609
SALYERSVILLE, KY**

**JEFF & DONNA SLONE
4745 LICK CREEK RD
SALYERSVILLE, KY**

GAS PURCHASE and SALES AGREEMENT

This Agreement made and entered into to be effective from and after the 25th day of January, 1997 by and between B.T.U. Gas Company, Inc. as one party, hereinafter referred to as "Buyer" and P&J Resources, Inc., as the other party, hereinafter referred to as the "Seller".

WITNESSETH:

WHEREAS, the Seller has a supply of natural gas available for sale from gas fields located in Magoffin County, Kentucky, and,

WHEREAS, the Seller desires to sell and deliver to the Buyer and the Buyer desires to purchase and receive from the Seller, natural gas in the quantities and upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual benefits and covenants herein contained, Buyer and Seller hereby agree as follows:

1. DEFINITIONS

1.1 Unless expressly stated otherwise, the following terms when used in this Agreement shall mean:

1.1.1 The terms "gas" and "natural gas" shall mean and include casinghead gas produced with crude oil, natural gas from gas wells, and residue gas resulting from processing casinghead gas, gas well gas, or both.

1.1.2 The term "casinghead gas" excludes gas cap gas and shall mean gas produced with crude petroleum from an oil well, all or substantially all of which is indigenous to the oil strata from which such crude petroleum oil is produced, together with gas lift gas produced with oil, whether originally produced from the same oil stratum or not.

1.1.3 The term "gas well gas" shall mean all other gases, including gas cap gas, or the mixture of hydrocarbon gases produced from Seller's lease other than that includable within the definition of casinghead gas.

1.1.4 The term "lease" or "leases" shall mean each oil, gas and mineral lease and the lands covered thereby, under which Seller holds gas rights which are committed to this Agreement as provided in Section 5, hereof.

1.1.5 The term "committed reserves" shall mean all one hundred percent of the reserves located in and under the leases as limited by reservoirs and depths specified therein which are attributable to the interest of Seller therein.

1.1.6 The term "Seller's pro rata part" shall mean Seller's percentage interest from time to time in the gas produced from the leases.

1.1.7 The term "Seller's delivery capacity" shall mean Seller's pro rata part of the average dailey quantity of gas well gas which in Seller's judgment can be efficiently withdrawn, in accordance with prudent operating practices, from the total number of wells on the leases the production from which is covered by this Agreement and which is available for delivery at the point of delivery provided for in this Agreement at the delivery pressures required by Section 9.1 hereof and meeting the quality specifications of Section 1-A of Exhibit A attached hereto, less any volumes reserved and used by Seller pursuant to Section 6.

1.1.8 A day shall begin at 8:00 a.m. on each calendar day and end at 8:00 a.m. on the following calendar day; a month or year shall begin at 8:00 a.m. on the first calendar day of such period of time and end at 8:00 a.m. on the first calendar day following such period.

1.1.9 The term "cubic foot" shall mean the volume of gas which occupies one cubic foot when such gas is at a temperature of 60 degrees Fahrenheit and at a pressure of 14.73 pounds per square inch absolute.

1.1.10 The term "Mcf" shall mean one thousand (1,000) cubic feet.

1.1.11 The term "Commission", or "FERC" as used herein, shall mean the Federal Energy Regulatory Commission or any successor thereto with jurisdiction over all or part of the subject matter of this Agreement.

1.1.12 The term "jurisdiction agency" shall have the meaning set forth in Section 274.501 of the Commission's Regulations under the Natural Gas Policy Act of 1978.

1.1.13 The term "Btu" shall mean the quantity of heat that must be added to one pound avoirdupois of pure water to raise its temperature from 58.5 degrees Fahrenheit to 59.5 degrees Fahrenheit at a constant pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia).

1.1.14 The term "MMBtu" shall mean one million (1,000,000) Btu's.

1.1.15 The term "NGPA" shall mean the Natural Gas Policy Act of 1978, any amendment thereto or any successor legislation thereto.

1.1.16 The term "Buyer's designee" shall mean the party or parties designated by Buyer pursuant to Section 3 of this Agreement to receive and handle gas deliverable hereunder for Buyer's account.

1.1.17 The term "Seller's Facilities" shall mean any and all facilities required to be constructed and installed by Seller, at its sole cost and expense, to enable Seller to deliver gas to buyer at the point of delivery specified in Section 7 hereof in the quantities provided for in Section 4 hereof and meeting the quality specifications provided for in Section 1-A of Exhibit A hereto. Unless otherwise agreed between the parties in writing, all gathering lines other than the Buyer's primary trunk line shall be considered as a part of Seller's facilities.

1.1.18 The term "Buyer's Facilities" shall mean any and all facilities required to be constructed and installed by Buyer or Buyer's designee, at its sole cost and expense, to enable Buyer to commence the receipt of gas from Seller at the point of delivery specified in Section 7 hereof in the quantities provided for in Section 4, hereof.

2. FACILITIES

2.1 Each of the parties hereto agrees to seek promptly any governmental permits, licenses and authorizations which, in its sole discretion, it deems necessary to perform its obligations from time to time under this Agreement. Upon execution of this Agreement, each of the parties hereto will file promptly with the appropriate jurisdictional agency and/or the Commission, and with all other regulatory bodies having jurisdiction, any required applications for price determinations, certificates of public convenience and necessity, or any other applications or filings which may be necessary in order to initiate the sale and purchase of gas hereunder. Such applications, if any, will be prosecuted diligently and in good faith; provided, however, that in no event shall Buyer be obligated to pay for any gas hereunder prior to the time Seller's and Buyer's facilities have been constructed and made available as provided in Section 2.2 below. Buyer shall have no obligation to construct any facilities or to run any gathering lines to the agreed delivery point nor to in any other manner perform hereunder until Buyer has fully satisfied itself as to the quality and quantity of the Seller's gas and gas reserves.

2.2 Upon the execution of the Agreement, or after each party has obtained and accepted any necessary prior authorizations as provided in Section 2.1 above and Buyer has satisfied itself as to all other matters in Section 2.1 above, Seller and Buyer agrees to proceed in good faith and with due diligence in the construction of Seller's and Buyer's facilities, respectively, and upon completion of such facilities, the parties shall commence the delivery and receipt of gas as soon as practicable.

2.3 Upon execution of this Agreement and from time to time throughout the term hereof, each of the parties shall file with the Commission and other regulatory bodies any notices, acceptances or other filings required by such regulatory bodies and shall provide promptly copies of such to the other party.

2.4 In the event that Seller must obtain prior authorization or determination under the NGPA in order to collect any price or allowance provided for in this Agreement, Seller agrees to promptly file all necessary information required by the Commission or jurisdictional agency as may be required by the by the NGPA and the Commission's regulations promulgated thereunder. Seller shall provide Buyer with a copy of all such information filed by Seller and Seller shall notify Buyer in writing of the date on which Seller is authorized to commence the collection of such price pursuant to such regulations, together with reasonable support thereof.

3. GAS HANDLING

3.1 Buyer shall have the right initially or at any time during the term of this agreement to designate one or more other parties, including, without limitation, an interstate pipeline, intrastate pipeline or distributor (such party hereinafter referred to as "Buyer's designee") to receive and handle the gas deliverable hereunder for the account of Buyer. In such event, deliveries of gas by Seller to Buyer's designee shall be deemed to be delivered to Buyer in satisfaction of Seller's obligation hereunder.

4. QUANTITY

4.1 Daily quantity - On each day during the term of this Agreement, Buyer shall have the right to purchase and receive, and Seller shall be obligated to sell and deliver to Buyer from the committed reserves, such quantity of gas as Buyer may elect to purchase on such day up to a total quantity equal to the lesser of the following quantities:

- (a) Seller's pro rata part of the total quantity of gas which the wells are capable of producing when produced at their respective maximum efficient rates of flow; or
- (b) Seller's pro rata part of the total quantity of gas which the wells are capable of producing when produced at their respective allowable rates of flow under applicable rules, orders, regulations or laws; or
- (c) Seller's pro rata part of the quantity equal to the sum of all casinghead gas and a quantity of gas well gas equal to Seller's delivery capacity.

4.2 Seller shall have agents or employees available at all times to receive from Buyer's or Buyer's designee's dispatchers advice and requests for changes in the rates of delivery of gas hereunder as required by Buyer or Buyer's designee from time to time.

5. COMMITMENT OF RESERVES

5.1 Seller commits to the performance of this Agreement all gas produced from the leases and attributable to the interest of Seller in the reserves thereunder.

5.2 If Seller assigns or subleases any lease described in Exhibit B and outlined on Exhibit C hereto, or assigns gas rights thereunder to an assignee or lessee, or any interest hereunder, Seller shall notify Buyer of said assignment, purchase or transfer at least twenty four (24) hours prior to execution of any document of transfer. Seller shall furnish Buyer with copies of the recorded instruments by which such assignments, sub leases, or transfers are accomplished immediately after the effective date of such assignments or subleases.

5.3 Seller agrees to furnish Buyer the basic information and data pertinent to the estimation of gas reserves as such information and data becomes available, including , but not limited to, the furnishing of surface maps showing property lines and well locations, well logs, electric logs, core analysis data, flow and pressure tests, gas analyses and casing programs.

6. RESERVATIONS OF SELLER

6.1 Seller reserves the following prior rights with sufficient gas to satisfy such rights:

- (a) To operate its property free from any control by Buyer in such a manner as Seller, in its sole discretion, may deem advisable, including without limitation, the right to drill new wells, to repair and rework old wells, and to plug any well or surrender any lease or portion thereof when no longer deemed by Seller to be capable of producing gas in paying quantities under normal methods of operation; provided, however, in the event Seller should terminate or surrender any lease described in Exhibit B and outlined in Exhibit C hereto, written notice of same shall be given to Buyer within ten (10) days.
- (b) To use gas produced from the lease for developing and operating Seller's leases listed in Exhibit B and outlined in Exhibit C hereto (including gas used for drilling or sale to drilling contractors for use of the committed reserves) Seller's other properties in the immediate vicinity, Seller's pipelines, water stations, camps, platform installations and other miscellaneous uses incident to the operation of such leases or facilities and to fulfill obligations to seller's lessor therein.
- (c) To unitize its lease with other properties of Seller and of others in the same field, in which event this Agreement will cover Seller's interest in the unit attributable to the reserves committed hereunder.
- (d) To use gas produced from the leases for repressuring, pressure maintenance, secondary recovery or cycling operations for the leases listed in Exhibit B and outlined on Exhibit C hereto. At such time as Seller ceases to use gas produced from the lease for such purposes, Buyer shall have the right to purchase and receive from Seller in accordance with the terms of this Agreement the volume of gas used by Seller in repressuring, pressure maintenance, secondary recovery or cycling operations. Such volumes of gas which Buyer shall have a right to purchase and receive shall be equal to the total volume used by Seller in such operations, less the quantity of gas lost or consumed through shrinkage and used as fuel in such repressuring pressure maintenance, secondary recovery .

7. POINT OF DELIVERY

7.1 Seller shall make deliveries of gas hereunder to Buyer or to Buyer's designee at the point of delivery. The point of delivery for all gas under this Agreement shall be as designated in Exhibit C.

8. TITLE, POSSESSION AND CONTROL

8.1 As between the parties hereto, Seller shall be deemed to be in control and possession of the gas deliverable hereunder and responsible for any injuries, claims, liabilities or damages caused thereby (1) prior to delivery to Buyer or to Buyer's designee, or (2) when the gas is in the custody of Seller for separation; otherwise, Buyer shall be deemed to be in exclusive control and possession thereof and responsible for any injuries, claims, liabilities or damages caused by Buyer's possession and control. The party in control and possession of the gas shall indemnify the other party with respect to any injuries, claims, liabilities, or damages occurring while the gas is in the former's control and possession. Title to the gas sold hereunder shall pass from Seller to Buyer at the point of delivery.

9. DELIVERY PRESSURE

9.1 Seller shall make deliveries of gas hereunder to Buyer or to Buyer's designee at the pressure required by Buyer from time to time to enable the gas to enter Buyer's or Buyer's designee's facilities for so long as the natural flowing pressure of Seller's wells will permit entry into Buyer's system. For the purpose of this contract the minimum pressure shall be sixty (60) pounds per square inch guage or such lesser amount as requested by Seller and the maximum acceptable pressure shall be two hundred (200) pounds per square inch guage. Any well pressure not meeting these requirements must be regulated at Seller's cost, notwithstanding any other provisions of this agreement.

9.2 In the event that the natural flowing pressure of Seller's gas wells declines to the extent that Seller is unable to deliver gas to Buyer at Buyer's required operating line pressure or at the inlet suction pressure of any existing compression facilities, then Seller shall have the right, but not the obligation, to furnish at its sole cost the necessary compression facilities to allow the gas to be delivered to Buyer at Buyer's required pressure.

9.3 If Seller does not elect to furnish such compression facilities to compress the gas, then Seller shall give written notice of same to Buyer within six (6) months of the anticipated date by which such compression facilities will be required, and upon receipt of such notice, Buyer shall have the option, but not the obligation, to install such compression. At Buyer's request, Seller agrees to provide Buyer with satisfactory proof of such insufficient pressure and to furnish Buyer with any pertinent engineering data relative to the design of the required compression facilities.

9.4 If either party has installed compression facilities to compress gas hereunder and thereafter determines, in its sole judgment, that such compression has become uneconomical, such party shall have the right to discontinue the compression of gas upon ninety (90) days prior notice to the other party. Said other party shall thereafter have the option, but not the obligation, to assume such compression at its sole cost.

9.5 In the event neither party elects to furnish compression facilities necessary to compress the gas, or in the event either party should decline to elect to assume compression discontinued by the other party, then at Seller's request, Buyer agrees to release from this Agreement any remaining committed reserves associated with such pressure-deficient gas.

10. PRICES

10.1 Buyer will pay Seller Three (\$3.00) dollars per MCF for all gas sold to Buyer's end-line purchaser. In no event will the price paid by Buyer to Seller exceed the maximum lawful price as may be established, permitted, or allowable by any governmental authority having jurisdiction over the price of gas sold hereunder. In determining such price, it is understood and agreed the buyer will allocate (it being Buyer's intention to enter into similar agreements with other producers) each producer's gas volumes transported

on a monthly basis to the volume of gas delivered by the Buyer to its end-line purchaser.

11. TAXES

11.1 Seller shall pay all federal and state production, gathering, severance or similar taxes now or hereafter levied in respect or applicable to the gas delivered hereunder.

11.2 In respect to all other taxes, assessments or fees which may be imposed in respect to possession, ownership, processing or other activity of the gas, each party hereto shall bear such taxes, assessments or fees arising on account of its possession, ownership, processing or other activities.

12. TERM OF AGREEMENT

12.1 This Agreement shall be in full force and effect for a term of one (1) year and from month to month thereafter unless and until terminated by either party giving no less than thirty (30) days written notice.

13. EXHIBITS

13.1 Exhibits "A", "B" and "C" attached hereto and the provisions contained therein shall constitute parts of this Agreement.

14. MODIFICATION

14.1 This document represents the entire agreement between the parties concerning gas produced from leases specified in Exhibits "B" and "C" attached hereto. No change, modification or alteration of this Agreement shall be valid unless the same be made or specified in writing, signed by the parties hereto, and no course of dealing between the parties shall be construed to alter the terms hereof.

15. CONFIDENTIALITY

15.1 Seller and Buyer agree to maintain the confidentiality of this Agreement and each of the terms and conditions hereof, and Seller and Buyer agree not to divulge same to any third party without the express prior written consent of the other party, except to the extent and only to the extent required by law.

IN WITNESS WHEREOF, this instrument is executed by Seller and Buyer as of the date first above mentioned.

BUYER
B.T.U. Gas Company, Inc.
By: *Sam Williams*

SELLER
P & J Resources, Inc.
By: *Richard M. [Signature]*

EXHIBIT "A"

<u>Receipt Point</u>	<u>Location of Gas Field</u>	<u>Supplier</u>	<u>Entry Pressure</u>
	Magoffin Co., KY	P & J Resources	60lb.